

**YMCA of the Capital Area -
Community Development Block Grant Fund
Baton Rouge, Louisiana
December 31, 2011**

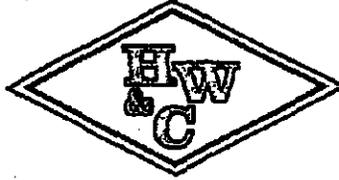
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Release Date NOV 14 2012

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HAWTHORN, WAYMOUTH & CARROLL, L.L.P.



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CERTIFIED PUBLIC ACCOUNTANTS

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(225) 923-3000 • FAX (225) 923-3008
June 12, 2012

Independent Auditor's Report

Board of Directors
YMCA of the Capital Area -
Community Development Block Grant Fund
Baton Rouge, Louisiana

We have audited the accompanying statement of financial position of the

**YMCA of the Capital Area -
Community Development Block Grant Fund**

as of December 31, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements of the YMCA of the Capital Area - Community Development Block Grant Fund are intended to present the financial position, changes in net assets and cash flows that are attributable to the transactions of the Fund. They do not purport to, and do not, present fairly the financial position of the YMCA of the Capital Area, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the YMCA of the Capital Area - Community Development Block Grant Fund as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2012, on our consideration of the YMCA of the Capital Area - Community Development Block Grant Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Yours truly,

Hawthorn, Waymouth & Carroll, LLP

**YMCA of the Capital Area -
Community Development Block Grant Fund
Statement of Financial Position
December 31, 2011**

Assets

Fixed Assets	
Swimming pool	\$500,000
Less: accumulated depreciation	<u>10,684</u>
Total fixed assets	<u>489,316</u>
Total assets	<u>\$489,316</u>

Liabilities and Net Assets

Net Assets	
Unrestricted	<u>\$489,316</u>
Total liabilities and net assets	<u>\$489,316</u>

The accompanying notes are an integral part of these statements.

**YMCA of the Capital Area -
Community Development Block Grant Fund
Statement of Activities
Year Ended December 31, 2011**

<u>Unrestricted</u>	
Revenue	
Community Development Block Grant revenue	\$89,049
Program Expenses	
Depreciation expense	<u>10,684</u>
Change in Net Assets	78,365
Net Assets, beginning of year	<u>410,951</u>
Net Assets, end of year	<u>\$489,316</u>

The accompanying notes are an integral part of these statements.

**YMCA of the Capital Area -
Community Development Block Grant Fund
Statement of Cash Flows
Year Ended December 31, 2011**

Cash Flows From Operating Activities	
Change in net assets	\$78,365
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	10,684
(Increase) decrease in assets:	
Grants receivable	80,267
Increase (decrease) in liabilities:	
Accounts payable	(47,705)
Retainage payable	(21,628)
Due to YMCA	<u>(32,562)</u>
Net cash provided by operating activities	<u>67,421</u>
Cash Flows From Investing Activities	
Construction costs	<u>(67,421)</u>
Net cash used in investing activities	<u>(67,421)</u>
Net Increase in Cash and Cash Equivalents	-
Cash and Cash Equivalents, beginning of year	<u>-</u>
Cash and Cash Equivalents, end of year	<u>\$ -</u>
Supplemental Disclosure of Cash Flow Information	
Cash paid for:	
Interest	<u>\$ -</u>
Income taxes	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

**YMCA of the Capital Area -
Community Development Block Grant Fund
Notes to Financial Statements
December 31, 2011**

Note 1-Nature of Activities

The YMCA of the Capital Area - Community Development Block Grant Fund (the Fund), which management considers a quasi-governmental operation, is a restricted fund of the YMCA of the Capital Area (the YMCA), used to report activity related to the grant funds paid to the YMCA for disbursement in accordance with contractual agreements between the YMCA and the City of Baton Rouge - Parish of East Baton Rouge (City-Parish). This Fund is an integral part of the basic financial statements of the YMCA, and accordingly, is included in the YMCA's financial statements. The Fund is used to report the YMCA's receipt, custody, and disbursement of funds from the State of Louisiana.

On November 1, 2009, the YMCA entered into a grant agreement (Agreement) with the City-Parish to construct a recreational pool in East Baton Rouge Parish, Louisiana. The pool is to be built as part of the construction of a new YMCA facility in order to carry out public service activities intended to benefit low to moderate income persons. These funds were provided to the City-Parish by the United States Department of Housing and Urban Development through the Community Development Block Grant Program. Total grant funds made available for the project were \$500,000.

Note 2-Summary of Significant Accounting Policies

A. Basis of Accounting and Presentation

The financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant assets and liabilities.

The Fund reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Unrestricted net assets include those net assets whose use by the Fund is not restricted by donors, even though their use may be limited in other respects, such as by contract or board designation. Temporarily restricted net assets are those whose use by the Fund has been limited by donors (a) to later periods of time or other specific dates, or (b) to specified purposes. Permanently restricted net assets are those net assets received with donor-imposed restrictions limiting the Fund's use of the assets. At December 31, 2011, the Fund had no temporarily or permanently restricted net assets.

B. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

C. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include investments in highly liquid debt instruments on deposit with financial institutions with an original maturity of three months or less.

**YMCA of the Capital Area -
Community Development Block Grant Fund
Notes to Financial Statements
December 31, 2011**

Note 2-Summary of Significant Accounting Policies (Continued)

D. Fixed Assets

The Fund follows the practice of capitalizing, at cost, major additions of property and equipment. Expenditures for maintenance and repairs are expensed. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets. The estimated useful life of the swimming pool is 39 years.

E. Income Taxes

The Fund is an integral part of the financial statements of the YMCA, which is exempt from income taxes under Internal Revenue Code Section 501(c)(3). The Fund's activity is considered to be an activity related to the YMCA's exempt purpose and accordingly, no income taxes are reported.

The YMCA adopted the accounting guidance related to accounting for uncertainty in income taxes, which sets out a consistent framework to determine the appropriate level of tax reserves to maintain for uncertain tax positions. The YMCA recognizes the effect of income tax positions only if the positions are more likely than not of being sustained. Recognized income tax positions are recorded at the largest amount that is greater than 50% likely of being realized. Changes in the recognition or measurement are reflected in the period in which the change in judgment occurs.

The YMCA has evaluated its position regarding the accounting for uncertain income tax positions and does not believe that it has any material uncertain tax positions. With few exceptions, the YMCA is no longer subject to federal, state, or local tax examinations by tax authorities for years before December 31, 2008.

F. Revenue and Recognition

Revenues are limited to grant funds from the City-Parish. Funds are restricted as to use by the Agreement between the YMCA and City-Parish. The Agreement defines services allowable within the scope of work applicable to the appropriation. Invoices and cost reports are submitted to the City-Parish for reimbursement, at which time revenue is recognized. Upon approval by the City-Parish, the YMCA is reimbursed for the amount expended.

Note 3-Subsequent Events

The Fund has evaluated all subsequent events through June 12, 2012, the date the financial statements were available to be issued. As a result, the Fund noted no subsequent events that required adjustment to, or disclosure in, these financial statements.

HAWTHORN, WAYMOUTH & CARROLL, L.L.P.



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June 12, 2012

**Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Board of Directors
YMCA of the Capital Area -
Community Development Block Grant Fund
Baton Rouge, Louisiana

Members of the Board:

We have audited the financial statements of the YMCA of the Capital Area - Community Development Block Grant Fund as of and for the year ended December 31, 2011, and have issued our report thereon dated June 12, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the YMCA of the Capital Area - Community Development Block Grant Fund is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the YMCA of the Capital Area - Community Development Block Grant Fund's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the YMCA of the Capital Area - Community Development Block Grant Fund's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Fund's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the YMCA of the Capital Area - Community Development Block Grant Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, federal awarding agencies and pass-through entities, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513 this report is distributed by the Legislative Auditor as a public document.

Yours truly,

Hewitson, Weymouth & Carroll, LLP

**YMCA of the Capital Area -
Community Development Block Grant Fund
Schedule of Current Year Audit Findings
Year Ended December 31, 2011**

Findings - Financial Statement Audit

None.

**YMCA of the Capital Area -
Community Development Block Grant Fund
Schedule of Prior Year Audit Findings
Year Ended December 31, 2011**

Findings - Financial Statement Audit

None.

**YMCA of the Capital Area -
Capital Outlay Appropriation Fund
Baton Rouge, Louisiana
December 31, 2011**

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June 12, 2012

Independent Auditor's Report

Board of Directors
YMCA of the Capital Area -
Capital Outlay Appropriation Fund
Baton Rouge, Louisiana

We have audited the accompanying statement of financial position of the

YMCA of the Capital Area -
Capital Outlay Appropriation Fund

as of December 31, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements of the YMCA of the Capital Area - Capital Outlay Appropriation Fund are intended to present the financial position, changes in net assets and cash flows that are attributable to the transactions of the Fund. They do not purport to, and do not, present fairly the financial position of the YMCA of the Capital Area, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the YMCA of the Capital Area - Capital Outlay Appropriation Fund as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2012, on our consideration of the YMCA of the Capital Area - Capital Outlay Appropriation Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Yours truly,

Hawthorn, Waymouth & Carroll, LLP

**YMCA of the Capital Area -
Capital Outlay Appropriation Fund
Statement of Financial Position
December 31, 2011**

Assets

Fixed Assets	
Building	\$840,000
Less: accumulated depreciation	<u>23,045</u>
Total fixed assets	<u>816,955</u>
 Total assets	 <u>\$816,955</u>

Liabilities and Net Assets

Net Assets	
Unrestricted	<u>\$816,955</u>
 Total liabilities and net assets	 <u>\$816,955</u>

The accompanying notes are an integral part of these statements.

**YMCA of the Capital Area -
Capital Outlay Appropriation Fund
Statement of Activities
Year Ended December 31, 2011**

<u>Unrestricted</u>	
Revenue	
State appropriations	\$ 84,717
Program Expenses	
Depreciation expense	<u>21,346</u>
Change in Net Assets	63,371
Net Assets, beginning of year	<u>753,584</u>
Net Assets, end of year	<u>\$816,955</u>

The accompanying notes are an integral part of these statements.

**YMCA of the Capital Area -
Capital Outlay Appropriation Fund
Statement of Cash Flows
Year Ended December 31, 2011**

Cash Flows From Operating Activities	
Change in net assets	\$ 63,371
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	21,346
(Increase) decrease in assets:	
Appropriations receivable	65,953
Increase (decrease) in liabilities:	
Accounts payable	(65,953)
Retainage payable	<u>(39,752)</u>
Net cash provided by operating activities	<u>44,965</u>
Cash Flows From Investing Activities	
Construction costs	<u>(44,965)</u>
Net cash used in investing activities	<u>(44,965)</u>
Net Increase in Cash and Cash Equivalents	-
Cash and Cash Equivalents, beginning of year	<u>-</u>
Cash and Cash Equivalents, end of year	<u><u>\$ -</u></u>
Supplemental Disclosure of Cash Flow Information	
Cash paid for:	
Interest	<u>\$ -</u>
Income taxes	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

**YMCA of the Capital Area -
Capital Outlay Appropriation Fund
Notes to Financial Statements
December 31, 2011**

Note 1-Nature of Activities

The YMCA of the Capital Area - Capital Outlay Appropriation Fund (the Fund), which management considers a quasi-governmental operation, is a restricted fund of the YMCA of the Capital Area (the YMCA), used to report activity related to the grant funds paid to the YMCA for disbursement in accordance with contractual agreements between the YMCA and the Louisiana Office of Facility Planning and Control. This Fund is an integral part of the basic financial statements of the YMCA, and accordingly, is included in the YMCA's financial statements. The Fund is used to report the YMCA's receipt, custody, and disbursement of funds from the State of Louisiana.

On June 2, 2008, the YMCA entered into a cooperative endeavor agreement (Agreement), with the Louisiana Office of Facility Planning and Control (OFPC) to construct facilities to be used to serve a public need in furtherance of the Capital Outlay Act and the Omnibus Bond Act of the Louisiana Legislature. The funds, totaling \$840,000, were used to fund the construction of a YMCA facility in Baton Rouge, Louisiana. Upon execution of this agreement and submission of an acceptable construction plan to the OFPC, payments were made to meet initial costs. Payments thereafter were made as cost reports and satisfactory progress reports were submitted to the Louisiana Office of Facility Planning and Control.

Note 2-Summary of Significant Accounting Policies

A. Basis of Accounting and Presentation

The financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant assets and liabilities.

The Fund reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Unrestricted net assets include those net assets whose use by the Fund is not restricted by donors, even though their use may be limited in other respects, such as by contract or board designation. Temporarily restricted net assets are those whose use by the Fund has been limited by donors (a) to later periods of time or other specific dates, or (b) to specified purposes. Permanently restricted net assets are those net assets received with donor-imposed restrictions limiting the Fund's use of the assets. At December 31, 2011, the Fund had no temporarily or permanently restricted net assets.

B. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

C. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include investments in highly liquid debt instruments on deposit with financial institutions with an original maturity of three months or less.

**YMCA of the Capital Area -
Capital Outlay Appropriation Fund
Notes to Financial Statements
December 31, 2011**

Note 2-Summary of Significant Accounting Policies (Continued)

D. Fixed Assets

The Fund follows the practice of capitalizing, at cost, major additions of property and equipment. Expenditures for maintenance and repairs are expensed. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets. The estimated useful life of the building is 39 years.

E. Income Taxes

The Fund is an integral part of the financial statements of the YMCA, which is exempt from income taxes under Internal Revenue Code Section 501(c)(3). The Fund's activity is considered to be an activity related to the YMCA's exempt purpose and accordingly, no income taxes are reported.

The YMCA adopted the accounting guidance related to accounting for uncertainty in income taxes, which sets out a consistent framework to determine the appropriate level of tax reserves to maintain for uncertain tax positions. The YMCA recognizes the effect of income tax positions only if the positions are more likely than not of being sustained. Recognized income tax positions are recorded at the largest amount that is greater than 50% likely of being realized. Changes in the recognition or measurement are reflected in the period in which the change in judgment occurs.

The YMCA has evaluated its position regarding the accounting for uncertain income tax positions and does not believe that it has any material uncertain tax positions. With few exceptions, the YMCA is no longer subject to federal, state, or local tax examinations by tax authorities for years before December 31, 2008.

F. Revenue and Recognition

Revenues are limited to appropriations from the State of Louisiana. Funds are restricted as to use by the Agreement between the YMCA and the Louisiana Office of Facility Planning and Control. The Agreement defines services allowable within the scope of work applicable to the appropriation. Invoices and cost reports are submitted to the OFPC for reimbursement, at which time revenue is recognized. Upon approval by the OFPC, the YMCA is reimbursed for the amount expended.

Note 3-Subsequent Events

The Fund has evaluated all subsequent events through June 12, 2012, the date the financial statements were available to be issued. As a result, the Fund noted no subsequent events that required adjustment to, or disclosure in, these financial statements.

HAWTHORN, WAYMOUTH & CARROLL, L.L.P.



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June 12, 2012

**Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Board of Directors
YMCA of the Capital Area -
Capital Outlay Appropriation Fund
Baton Rouge, Louisiana

Members of the Board:

We have audited the financial statements of the YMCA of the Capital Area - Capital Outlay Appropriation Fund as of and for the year ended December 31, 2011, and have issued our report thereon dated June 12, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the YMCA of the Capital Area - Capital Outlay Appropriation Fund is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the YMCA of the Capital Area - Capital Outlay Appropriation Fund's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of YMCA of the Capital Area - Capital Outlay Appropriation Fund's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the YMCA of the Capital Area - Capital Outlay Appropriation Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, federal awarding agencies and pass-through entities, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513 this report is distributed by the Legislative Auditor as a public document.

Yours truly,

Hickson, Wynn & Carroll, LLP

**YMCA of the Capital Area -
Capital Outlay Appropriation Fund
Schedule of Current Year Audit Findings
Year Ended December 31, 2011**

Findings - Financial Statement Audit

None.

**YMCA of the Capital Area -
Capital Outlay Appropriation Fund
Schedule of Prior Year Audit Findings
Year Ended December 31, 2011**

Findings - Financial Statement Audit

None.